



Talas Gold Mining Company/Jerooy Mine Factual Chronology

- 1997: Oxus enters into negotiations with the Kyrgyz Government to develop the Jerooy mine.
- 9 September 1998: Joint Venture Agreement is signed between Kyrgyzaltyn and Norox Mining, creating Talas Gold Mining Company, 66.67% owned by Norox. The Joint Venture Agreement remains in force.
- December 1999: Talas Gold Mining Company is legally registered as a joint stock company in Kyrgyzstan. The registration of the company remains in force.
- 2000-2004: Talas Gold secures various approvals necessary for mine development, including the mining license dated 6 March 2000 and a construction license dated 24 May 2004, and continues negotiations with the Kyrgyz Government. During this period the mining license is annulled and reinstated. The construction license remains valid.
- 3 August 2004: The former Akiev administration for the second time purportedly annulled the license prior to completion of mine development.
- 15 November 2004: The Kyrgyz Government set forth the terms by which it would reinstate the license to Talas Gold, including the requirement that Oxus obtains a guarantee that it has sufficient funds to develop the Jerooy project.
- 25 November 2004: RBC Capital on behalf of Talas Gold confirmed that a \$55 million financing for the Jerooy Project was completed.
- 7 February 2005: Talas Gold submitted a technical update to the feasibility study for the development of the Jerooy mine to Kyrgyz officials. The feasibility study and related designs are officially approved.
- 16 February 2005: LeBoeuf Lamb, Kyrgyzstan's independent counsel, confirmed that Talas Gold had completed the financing for the development of the Jerooy mine.
- 21 February 2005: The State Agency for Geology and Mineral Resources, the agency responsible for awarding subsoil licenses, recommended in writing to the Kyrgyz Government that the license be reinstated to Talas Gold and advised that a tender would delay gold production for at least two years.
- 24 March 2005: a revolution in Kyrgyzstan replaces President Akiev with acting President Bakiev.

- 30 March 2005: The State Agency for Geology and Mineral Resources, in a letter to acting President and Prime Minister Bakiev, stated that Talas Gold has effectively fulfilled the conditions for reinstatement and again recommended that the license be reinstated.
- 13 April 2005: Oxus obtains legal opinion from local Kyrgyz counsel confirming that Kyrgyz law allows the Government to reinstate the license by virtue of direct negotiations with the investor, and that a tender is not required.
- 23 May 2005: Director of the State Agency for Geology and Mineral Resources confirmed in writing that Oxus had satisfied the terms for reinstatement and, for the third time, recommended that the license be reinstated.
- 8 June 2005: Oxus meets acting President Bakiev to discuss the Jerooy project. Updated photographs of construction on site are presented. The acting President supports the development of the project and, with regard to the reinstatement of the license, states that the Government will follow the law. Oxus is not instructed to stop construction.
- 21 June 2005: Oxus obtains legal opinion from international counsel qualified to opine on Kyrgyz law confirming that a tender is not required and that the license can be reinstated via direct negotiations.
- 8 August 2005: President Bakiev and acting Prime Minister Bakiev issues decree number 358, directing the State Agency for Geology and Mineral Resources to select and retain a legal firm to conduct an analysis of the Kyrgyz Government's actions with respect to the Jerooy license since the license was annulled in August 2004 .
- 14 September 2005: President Bakiev tells the Oxus CEO, at a meeting in New York chaired by the US State Department, that Oxus should continue its work at Jerooy, reinforcing previous directions to continue to work by Kyrgyz Government officials and the Governor of Talas.
- October 2005: In response to an argument made by the Kyrgyz Government that it has no contractual obligation to reinstate the Jerooy license, Oxus' counsel, Clifford Chance, advises that regardless of the formalities of Kyrgyz law, Oxus' reliance in good faith on the promises and representations of the Kyrgyz Government creates an enforceable right and that the Kyrgyz Government's tender of the Jerooy license would be an expropriation in violation of Kyrgyz and international law.
- 14 November 2005: Kyrgyz Prime Minister Kulov issues a letter to Talas Gold acknowledging the Kyrgyz Government's responsibility for the expenses incurred by Oxus to develop the Jerooy mine, but alleging that the Kyrgyz Republic has decided to refuse to reinstate the license. The Kulov letter asserts that the Government will authorize a company to negotiate with Oxus regarding the amounts confirmed by an independent auditor. Significantly, Oxus is advised by qualified counsel that the Prime Minister, without an appropriate Government resolution, lacks the authority under Kyrgyz law to decide not to reinstate the license. The State Agency for Geology and Mineral

Resources confirms that it was not consulted regarding this purported decision.

- 28 December 2005: Prime Minister Kulov signs an order entitled "On Accelerating the Development of the Jerooy Mine Deposit". This order instructs various state bodies to review the work of Talas Gold to date and to consider proposals apparently received from other potential investors. The Company is confident that the conclusion of this review will be to reinstate the license to Talas Gold, given that the processing plant is already at an advanced stage of completion, the mining fleet is already on site, and only Talas Gold is in a position to commence gold production at Jerooy during the first half of the year.
- 28 December 2005: Kyrgyz Parliamentary Committee concludes that the failure to reinstate the Jerooy license to Talas Gold would represent an act of unlawful expropriation, a view shared by Oxus' international counsel. It is stated in the Committee's decision that failure to reinstate would violate the law of the Kyrgyz Republic "On Investment in Kyrgyzstan", and the bi-lateral intergovernmental Agreement between the United Kingdom of Great Britain and Northern Ireland and the Kyrgyz Republic on the protection and encouragement of investments, and also the norms of International Law.
- 30 January 2006: President Bakiev visits Talas Valley for the first time since being elected President, and, in response to questions regarding the Jerooy license, tells Jerooy workers in attendance that construction must continue at the Jerooy mine site.
- December 2005 - January 2006: No Kyrgyz Government-appointed auditor approaches the Company. Rather, Oxus was approached by a private company that offers to buy Oxus' interest in the license but asserts that it is not acting on behalf of or as an agent of the Kyrgyz Government. Private company claims that it expects the Kyrgyz Government will reinstate the license if the private company, which has no mining background, buys out Oxus' interests. No quantified offer is made and Oxus declines to sell its interest as it is committed to completing and operating the mine.

Current Status:

- As of today, the Jerooy mining license has not been reinstated to Talas Gold. Oxus has petitioned the Kyrgyz Government to respect its obligation to reinstate the license to Talas Gold since Talas Gold has met all of the conditions for reinstatement as recognized by the State Agency for Geology and Mineral Resources.
- Immediate reinstatement will permit Oxus to begin actual gold production in the second quarter of 2006. Failure to reinstate, however, according to the State Agency for Geology and Mineral Resources, will delay gold production at Jerooy by at least 2 to 3 years.
- The benefits to the Kyrgyz Republic and the Talas Region from reinstatement will include the "domino effect" that economic development can bring to a region through the related business activities that spring up to support the

workers and mine operations, such as housing construction, procurement, and fuel supply.

- Oxus hopes to resolve this matter amicably and have the license reinstated soon. Oxus is committed to working in Kyrgyzstan and continuing to develop the mine, ensure employment for those currently working at the mine and additional employees that will be hired, and supporting further investment in Kyrgyzstan.

Note: this chronology has been prepared by Oxus Gold plc in consultation with the international law firm Clifford Chance. 2 February 2006.